

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

SACRAMENTO, CA 95814

May 2, 1985



TO: All County Welfare Directors  
County Administrative Officers

Letter No. 85- 34

NINE MONTH CONTINUING MEDI-CAL ELIGIBILITY BASED ON  
DISCONTINUANCE FROM AFDC (DUE TO THE EXPIRATION OF THE \$30 PLUS  
1/3 EARNED INCOME DISREGARD) PRIOR TO OCTOBER 1, 1984.

This letter is to provide you with follow-up information and  
instructions to All County Welfare Directors Letter (ACL) No. 85-  
8 and 85-23.

As you recall, the Deficit Reduction Act (DEFRA), Section 2624  
effective October 1, 1984, requires that nine months of  
continuing Medi-Cal eligibility be provided to persons or  
families who were terminated from AFDC due solely to the  
expiration of the \$30 plus 1/3 or \$30 earned income disregards.

You were recently instructed in All County Welfare Directors  
Letter No. 85-23 to revise the "Previously Discontinued" Nine  
Month Continuing notice provided in ACL 85-8 to reflect the  
extended June 30, 1985 deadline and that application for  
"Previously Discontinued" Nine Month Continuing must not be  
accepted after June 30, 1985. You were further instructed that  
persons or families contacting the CWD as potential "Previously  
Discontinued" Nine Month Continuing eligibles must, no later than  
June 30, 1985, complete a CA-1 form indicating that they are  
applying for "Nine Month Continuing" and within two weeks of the  
date of application, submit a completed CA-2. The "Previously  
Discontinued" Nine Month Continuing Category is identified as  
aid code 55.

Individual notices (sample attached) will be issued between May  
1, 1985 and May 10, 1985 to all families who were previously  
identified under the aid code 39 or aid code 30 with a post  
indicator (Four Month Continuing Eligibles). The notice  
identifies four conditions which applicants must meet in order to  
qualify for Nine Month Continuing. Hopefully, the message will  
limit the applicants to only those persons who could potentially  
qualify for benefits.

DEFRA language specifically requires that in order to be  
determined eligible for "Previously Discontinued" Nine Month  
Continuing, the applicant must have been continuously  
eligible for AFDC from the month of discontinuance from AFDC

through the month of application for "Previously Discontinued" Nine Month Continuing but for the \$30 plus 1/3 earned income disregard. The following steps are required to determine eligibility under the "Previously Discontinued" Nine Month Continuing category:

- o    Step 1:    Determine whether the applicant was discontinued from AFDC at any time between the period from March 31, 1982 through September 30, 1984 due solely to the expiration of the \$30 plus 1/3 earned income disregard.

    If no, stop. Send an NOA denying eligibility (suggested language attached).

    If yes, go to Step 2.

- o    Step 2:    Determine AFDC eligibility in the month of application. Allow the \$30 plus 1/3 earned income disregard. Is applicant eligible for AFDC in the month of application for "Previously Discontinued" Nine Month Continuing?

    If no, stop. Send an NOA denying eligibility (suggested language attached).

    If yes, go to Step 3.

- o    Step 3:    The applicant must sign a statement which indicates whether or not the circumstances provided on the current CA 2 have changed from the month of discontinuance from AFDC to the month of application for "Previously Discontinued" Nine Month Continuing.

- a)    If circumstances have remained the same, accept the signed statement as proof of continued AFDC eligibility. Approve Medi-Cal coverage for nine continuous months, beginning the month of application. Send an NOA approving eligibility (suggested language attached).

- b)    If circumstances have changed, then complete a CA-7 for each month in which there was a change. Redetermine AFDC eligibility for each month using the \$30 plus 1/3 deduction. If applicant was eligible for AFDC in each month, approve Medi-Cal coverage for nine

All County Welfare Directors    -3-  
County Administrative Officers

continuous months, beginning the month of application. Send an NOA approving eligibility (suggested language attached).

- c) If circumstances have changed and the applicant would not have been eligible for AFDC in at least one of the months using the \$30 plus 1/3 deduction, deny eligibility. (Suggested language attached.)

Questions regarding this issue should be directed to Catherine Buber-Chatten at (916) 324-4972.

Sincerely,

Original signed by

Tom J. Elkin, Acting Chief  
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration date: October 31, 1985

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AVISO A PERSONAS QUE HAN RECIBIDO BENEFICIOS DE AFDC EN EL PASADO

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Usted y su familia pueden ser elegibles por 9 meses de MEDI-CAL SIN COSTO NINGUNO. Para calificar, usted tiene que cumplir con todos los 4 siguientes requisitos:

1. Tiene que haber recibido beneficios de AFDC entre marzo de 1982 y septiembre de 1984.

Y

2. Usted u otra persona en su familia que era parte de su hogar para propósitos de AFDC tiene que haber trabajado en un empleo durante los últimos 4 meses en los cuales usted recibió beneficios de AFDC.

Y

3. El departamento de bienestar del condado tiene que haberle permitido una reducción en el nivel contable de sus ingresos que se llama la "deducción de \$30 mas 1/3 del residuo" cuando determinó la cantidad de su dinero en efectivo.

Y

4. Tiene que haber sufrido una cesación de sus beneficios de AFDC solamente porque el condado cesó de permitirle la "deducción de \$30 mas 1/3 del residuo". (La Notificación de Acción que recibió informándole que ya no era elegible a recibir dinero en efectivo de AFDC le informa la razón por la cesación de sus beneficios de AFDC).

El departamento de bienestar del condado donde vive le puede ayudar a averiguar si cumple con estos requisitos. Si cumple con Todos los 4 Requisitos, puede ser elegible a recibir beneficios de Medi-Cal por 9 meses sin costo ninguno.

AVISO IMPORTANTE: Si usted cree que es elegible, tiene que ponerse en contacto con el departamento de bienestar del condado donde vive y llenar una solicitud antes del 30 de junio de 1985.

Denial NOA - Suggested Language

Situation: Applicant for "Previously Discontinued" Nine Month Continuing was not discontinued from AFDC at any time between the period from March 31, 1982 through September 30, 1984 due solely to the expiration of the \$30 plus 1/3 earned income disregard.

"Your application for the special nine months of no cost Medi-Cal has been denied. Federal law (Public Law 98-369, Section 2624) requires that in order to be eligible for Medi-Cal under this special program, you must have been discontinued from AFDC sometime between March 31, 1982 and September 30, 1984. Further, this AFDC discontinuance must have been because your \$30 plus 1/3 of the remainder income deduction had expired. This was not the reason for your AFDC discontinuance.

If you wish to have your eligibility for Medi-Cal determined under another program, please contact your county welfare department".

Situation: Applicant for "Previously Discontinued" Nine Month Continuing is not eligible for AFDC in the month of application for "Previously Discontinued" Nine Month Continuing.

"Your application for the special nine months of no cost Medi-Cal has been denied. Federal law (Public Law 98-369, Section 2624) requires that in order to be eligible for Medi-Cal under this special program, you must be eligible for AFDC in the month that you applied for this special program if the \$30 plus 1/3 of the remainder earned income deduction is applied. The \$30 plus 1/3 of the remainder earned income deduction was applied to your income, but you were not eligible for AFDC.

If you wish to have your eligibility for Medi-Cal determined under another program, please contact your county welfare department".

Denial NOA - Suggested Language

Situation: Applicant for "Previously Discontinued" Nine Month Continuing did not meet the "continuously eligible" criteria required for Nine Month Continuing Eligibility.

"Your application for the special nine months of no cost Medi-Cal has been denied. Federal law (Public Law 98-369, Section 2624) requires that in order to be eligible for the special nine months of no cost Medi-Cal, you must have been eligible for AFDC in all months between the time you were discontinued from AFDC until the month you applied for the special program after allowing a \$30 plus 1/3 of the remainder earned income deduction. The \$30 plus 1/3 of the remainder earned income deduction was applied to your income, but you were not eligible for AFDC because

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If you wish to have your eligibility for Medi-Cal determined under another program, please contact your county welfare department".

Approval NOA - Suggested Language

Situation: Application for "Previously Discontinued" Nine Month Continuing was approved.

"Your application for the special Nine Month Continuing Medi-Cal program has been approved. Beginning \_\_\_\_\_ through, \_\_\_\_\_ you will receive a no cost Medi-Cal card. During this time you are not required to report any changes in your circumstances to your county welfare department."

Federal Law: Public Law 98-369, Section 2624

## DEPARTMENT OF HEALTH SERVICES

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## ATTENTION FORMER AFDC RECIPIENTS

You and your family may be eligible for 9 months of NO-COST MEDIT-CAL BENEFITS. In order to qualify you must meet all 4 conditions listed below:

1. You must have been receiving AFDC sometime between March 1982 and September 1984.

And

2. You or another member of your family who was in your AFDC case, must have been working at a job during the last 4 months in which you received AFDC.

And

3. When the county welfare department determined the amount of your cash grant, they must have allowed you a reduction of your earnings called the "\$30 plus 1/3 of the remainder deduction".

And

4. You must have been discontinued from AFDC only because the "\$30 plus 1/3 of the remainder deduction" was no longer allowed. (The Notice of Action you received telling you that you were no longer eligible to receive an AFDC cash grant will tell you why you were discontinued from AFDC).

Your county welfare department can help you find out whether you meet these conditions. If you meet all 4 conditions, then you may be eligible for 9 months of no cost Medi-Cal.

**IMPORTANT:** If you think you are eligible, you must contact your county welfare department and fill out an application no later than June 30, 1985.